



3015 (02-09-04)

ANNUAL REPORT

OF

Name: INDEPENDENCE WATER UTILITY

Principal Office: 23688 ADAMS STREET
P.O. BOX 188
INDEPENDENCE, WI 54747-0188

For the Year Ended: DECEMBER 31, 1997

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I LENICE PRONSCHINSKE of
(Person responsible for accounts)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

DEPUTY CITY CLERK
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: INDEPENDENCE WATER UTILITY**Utility Address:** 23688 ADAMS STREET
P.O. BOX 188
INDEPENDENCE, WI 54747-0188**When was utility organized?** 12/31/1948**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MRS LENICE PRONSCHINSKE**Title:** CITY DEPUTY CLERK**Office Address:**23688 ADAMS STREET
P.O. BOX 188
INDEPENDENCE, WI 54747-0188**Telephone:** (715) 985 - 3055**Fax Number:** (715) 985 - 2530**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: WIPFLI ULLRICH BERTELSON LLP**Title:****Office Address:** WIPFLI ULLRICH BERTELSON LLP
3703 OAKWOOD HILLS PARKWAY
P.O. BOX 690
EAU CLAIRE, WI 54702-0690**Telephone:** (715) 832 - 3407 EXT 104**Fax Number:** (715) 832 - 0475**E-mail Address:** www.wipfli.com

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: WIPFLI ULLRICH BERTELSON LLP**Title:****Office Address:** WIPFLI ULLRICH BERTELSON LLP
3703 OAKWOOD HILLS PARKWAY
P.O. BOX 690
EAU CLAIRE, WI 54702-0690**Telephone:** (715) 832 - 3407**Fax Number:** (715) 832 - 0475**E-mail Address:** www.wipfli.com**Date of most recent audit report:** 3/18/1998**Period covered by most recent audit:** 1/1/97 - 12/31/97

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR GREG ROSKOS**Title:** SUPERINTENDENT**Office Address:**

23688 ADAMS STREET

P.O. BOX 188

INDEPENDENCE, WI 54747-0188

Telephone: (715) 985 - 3055**Fax Number:** (715) 985 - 2530**E-mail Address:**

Name of utility commission/committee: Water Utlyty Commission

Names of members of utility commission/committee:

MR GERALD HALAMA, SECRETARY

MR WILLIE SMIEJA, PRESIDENT

MR ERNEST SUCHLA, VICE PRESIDENT

Is sewer service rendered by the utility? NO**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:** **Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:**Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	127,633	96,500	1
Operating Expenses:			
Operation and Maintenance Expense (401)	67,600	64,326	2
Depreciation Expense (403)	13,337	13,470	3
Amortization Expense (404)	0		4
Taxes (408)	30,122	30,031	5
Total Operating Expenses	111,059	107,827	
Net Operating Income	16,574	(11,327)	
Income from Utility Plant Leased to Others (412-413)	0		6
Utility Operating Income	16,574	(11,327)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0		7
Nonoperating Rental Income (418)	0		8
Interest and Dividend Income (419)	178	380	9
Miscellaneous Nonoperating Income (421)	0		10
Total Other Income	178	380	
Total Income	16,752	(10,947)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0		11
Other Income Deductions (426)	0		12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	16,752	(10,947)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0		13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0		16
Other Interest Expense (431)	0		17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	0	
Net Income	16,752	(10,947)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	317,081	304,548	19
Balance Transferred from Income (433)	16,752	(10,947)	20
Miscellaneous Credits to Surplus (434)	23,480	23,480	21
Miscellaneous Debits to Surplus--Debit (435)	0		22
Appropriations of Surplus--Debit (436)	0		23
Appropriations of Income to Municipal Funds--Debit (439)	0		24
Total Unappropriated Earned Surplus End of Year (216)	357,313	317,081	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Interest on checking account	178	4
Total (Acct. 419):	178	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
Property tax equivalent forgiven	23,480	8
Total (Acct. 434):	23,480	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	127,633	0	0	0	127,633	1
Less: interdepartmental sales	0		0		0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	127,633	0	0	0	127,633	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,388,863	1,047,926	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	148,705	134,217	2
Net Utility Plant	1,240,158	913,709	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	27,960	37,631	5
Other Investments (124)	4,540	4,778	6
Special Funds (125)	0		7
Total Other Property and Investments	32,500	42,409	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	9,539	6,254	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0		10
Customer Accounts Receivable (142)	23,317	14,620	11
Other Accounts Receivable (143)	0		12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0		14
Materials and Supplies (150)	3,054	3,583	15
Prepayments (165)	0		16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	35,910	24,457	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0		18
Extraordinary Property Losses (182)	0		19
Other Deferred Debits (183)	0	5,096	20
Total Deferred Debits	0	5,096	
Total Assets and Other Debits	1,308,568	985,671	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	188,593	131,893	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	357,313	317,081	23
Total Proprietary Capital	545,906	448,974	
LONG-TERM DEBT			
Bonds (221)			24
Advances from Municipality (223)	159,440	54,374	25
Other long-Term Debt (224)	0		26
Total Long-Term Debt	159,440	54,374	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0		27
Accounts Payable (232)	3,620	12,374	28
Payables to Municipality (233)	0	1,500	29
Customer Deposits (235)			30
Taxes Accrued (236)	5,000	5,000	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	8,620	18,874	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0		36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	594,602	463,449	38
Total Liabilities and Other Credits	1,308,568	985,671	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	1,220,777	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)	168,086				6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	1,388,863	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	148,705	0	0	0	9
Total Accumulated Provision	148,705	0	0	0	
Net Utility Plant	1,240,158	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	134,217				134,217	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	13,337				13,337	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,951				1,951	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	15,288	0	0	0	15,288	13
Debits during year						14
Book cost of plant retired	800				800	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	800	0	0	0	800	19
Balance End of Year	148,705	0	0	0	148,705	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.32%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant				0	1
Other (specify):				0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)				0	3
Net Nonutility Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	1
Other					0	2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	3,054	3,583	2
Sewer utility			3
Gas utility			4
Merchandise			5
Other materials & supplies			6
Total Materials and Supplies	<u><u>3,054</u></u>	<u><u>3,583</u></u>	

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	131,893	1
Changes during year (explain):		
Development costs (mains, services, & hydrants) of City owned		2
subdivision (Parkview)	43,267	3
City's contribution for water main to new fire station	13,433	4
Balance end of year	188,593	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
Cash Advance	00/00/0000	00/00/0000	0.00%	159,440	1
Total for Account 223				159,440	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	5,000	1
Accruals:		
Charged water department expense	30,122	2
Charged electric department expense		3
Charged sewer department expense	363	4
Other (explain):		
NONE		5
Total Accruals and other credits	30,485	
Taxes paid during year:		
County, state and local taxes	28,480	6
Social Security taxes	1,878	7
PSC Remainder Assessment	127	8
Other (explain):		
NONE		9
Total payments and other debits	30,485	
Balance end of year	5,000	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
				0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
				0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
				0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	463,449					463,449	1
Add credits during year:							
For Services	1,138					1,138	2
For Mains	62,780					62,780	3
Other (specify):							
Hydrants	7,917					7,917	4
Well, Pumphouse, & Treatment	59,318					59,318	5
Deduct charges (specify):							
NONE						0	6
Balance End of Year	594,602	0	0	0	0	594,602	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	327,286					327,286	7

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
Advance to Sewer Utility	27,960	1
Total (Acct. 123):	27,960	
Other Investments (124):		
Deferred special assessments	1,819	2
Current special assessments	2,721	3
Total (Acct. 124):	4,540	
Special Funds (125):		
NONE		4
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	23,317	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	23,317	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
NONE		12
Total (Acct. 143):	0	
Receivables from Municipality (145):		
NONE		13
Total (Acct. 145):	0	
Prepayments (165):		
NONE		14
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		15
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Other Deferred Debits (183):	
NONE	16
Total (Acct. 183):	0
Payables to Municipality (233):	
NONE	17
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	18
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	1,134,351	0	0	0	1,134,351	1
Materials and Supplies	3,318	0	0	0	3,318	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	141,461	0	0	0	141,461	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	529,025	0	0	0	529,025	6
Other (specify):						
NONE					0	7
Average Net Rate Base	467,183	0	0	0	467,183	
Net Operating Income	16,574	0	0	0	16,574	8
Net Operating Income as a percent of						
Average Net Rate Base	3.55%	N/A	N/A	N/A	3.55%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	160,243	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	337,197	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	497,440	
Net Income		
Net Income	16,752	5
Percent Return on Proprietary Capital	3.37%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

Step 1 of a rate increase went into effect for services rendered on or after August 7, 1997.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

October 21, 1998

Ms. Lenice Pronschinske, Clerk
Independence Water Utility
P.O. Box 188
Independence, WI 54747-0188

1997 Analytical Review DWCCA-2660-PJL

Dear Ms. Pronschinske:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1997 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. A revised composite depreciation rate of 2.23 percent was authorized in the letter dated May 2, 1997, to be effective on January 1, 1998. This was part of the recent rate case in docket 2660-WR-101. This is being brought to your attention because the 1.83 percent depreciation rate which had been authorized for 1997 only was not used, rather the old rate of 1.32 percent is reported on page F-7, line 22. Please confirm that 2.23 percent will be used as the composite depreciation rate beginning in 1998.

2. During our review, we noted that the Status for several schedules on the Schedule Listing in the electronic annual report was not changed from "not started" and/or "in progress" to "complete." It is important to change the status for all schedules, whether the schedule is left blank, or not, or is entirely derived from other schedules. That allows the PSC to determine that schedules have been finished, and, where left blank, were intentionally left blank rather than simply overlooked. Staff has changed all schedules' status to "complete" in our electronic copy. Please indicate if any "not started" schedules should have had data or if any "in progress" schedules were not complete. If any schedules were not complete or should not have been blank, please provide that data.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege

FINANCIAL SECTION FOOTNOTES

Financial Specialist
Division of Water, Compliance, and Consumer Affairs

pjl:tlk:W:\COMPL\LEEGE\2660 ar

Don Betthauser, CPA called on 11/2/98 to respond to review letter,

- 1) Will use new composite rate in 1998.
- 2) All schedules were complete.

Review closed.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	126,356	1
Total Sales of Water	126,356	
Other Operating Revenues		
Forfeited Discounts (470)	243	2
Other Water Revenues (474)	1,034	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,277	
Total Operating Revenues	127,633	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	45,723	5
General Operating Expenses (680-690)	21,877	6
Total Operation and Maintenance Expenses	67,600	
Other Operating Expenses		
Depreciation Expense (403)	13,337	7
Amortization Expense (404)		8
Taxes (408)	30,122	9
Total Other Operating Expenses	43,459	
Total Operating Expenses	111,059	
NET OPERATING INCOME	16,574	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	1	50	119	1
Commercial	1	50	119	2
Industrial	1	10	119	3
Total Unmetered Sales to General Customers (460)	3	110	357	
Metered Sales to General Customers (461)				
Residential	438	22,356	51,600	4
Commercial	72	6,981	13,942	5
Industrial	2	211	426	6
Total Metered Sales to General Customers (461)	512	29,548	65,968	
Private Fire Protection Service (462)	3		1,257	7
Public Fire Protection Service (463)	1		53,723	8
Other Sales to Public Authorities (464)	8	2,943	5,051	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	527	32,601	126,356	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	53,723	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	53,723	
Forfeited Discounts (470):		
Customer late payment charges	243	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	243	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,015	7
Other (specify):		
Water turn on charge	19	8
Total Other Water Revenues (474)	1,034	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	21,400	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	4,822	3
Chemicals (630)	10,925	4
Supplies and Expenses (640)	3,788	5
Repairs of Water Plant (650)	4,623	6
Transportation Expenses (660)	165	7
Total Plant Operation and Maintenance Expenses	45,723	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,130	8
Office Supplies and Expenses (681)	1,082	9
Outside Services Employed (682)	8,789	10
Insurance Expense (684)	1,695	11
Employees Pensions and Benefits (686)	6,404	12
Regulatory Commission Expenses (688)	777	13
Miscellaneous General Expenses (689)		14
Uncollectible Accounts (690)		15
Total General Operating Expenses	21,877	
Total Operation and Maintenance Expenses	67,600	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		28,480	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		363	2
Net property tax equivalent		28,117	
Social Security		1,878	3
PSC Remainder Assessment		127	4
Other (specify): NONE			5
Total tax expense		30,122	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Trempealeau				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.203712				3
County tax rate	mills		6.328471				4
Local tax rate	mills		7.917795				5
School tax rate	mills		16.807894				6
Voc. school tax rate	mills		2.080043				7
Other tax rate - Local	mills		0.111610				8
Other tax rate - Non-Local	mills						9
Total tax rate	mills		33.449525				10
Less: state credit	mills		2.389017				11
Net tax rate	mills		31.060508				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		7.917795				14
Combined School Tax Rate	mills		18.887937				15
Other Tax Rate - Local	mills		0.111610				16
Total Local & School Tax	mills		26.917342				17
Total Tax Rate	mills		33.449525				18
Ratio of Local and School Tax to Total	dec.		0.804715				19
Total tax net of state credit	mills		31.060508				20
Net Local and School Tax Rate	mills		24.994864				21
Utility Plant, Jan. 1	\$	1,047,926	1,047,926				22
Materials & Supplies	\$	3,583	3,583				23
Subtotal	\$	1,051,509	1,051,509				24
Less: Plant Outside Limits	\$	0					25
Taxable Assets	\$	1,051,509	1,051,509				26
Assessment Ratio	dec.		0.981760				27
Assessed Value	\$	1,032,329	1,032,329				28
Net Local & School Rate	mills		24.994864				29
Tax Equiv. Computed for Current Year	\$	25,803	25,803				30
Tax Equivalent per 1994 PSC Report	\$	28,480					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	28,480					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	501		4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)	1,277		8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>1,778</u>	<u>0</u>	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)	722		13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)	40,132		17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>40,854</u>	<u>0</u>	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)	1,444		22
Water Treatment Equipment (332)	17,851		23
Total Water Treatment Plant	<u>19,295</u>	<u>0</u>	
 TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,050		24
Structures and Improvements (341)			25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			501	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			1,277	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	1,778	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			722	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			40,132	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	40,854	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			1,444	22
Water Treatment Equipment (332)			17,851	23
Total Water Treatment Plant	0	0	19,295	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			6,050	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	103,278		26
Transmission and Distribution Mains (343)	597,585	122,165	27
Fire Mains (344)			28
Services (345)	114,098	27,200	29
Meters (346)	29,571	2,805	30
Hydrants (348)	120,265	21,254	31
Other Transmission and Distribution Plant (349)	135		32
Total Transmission and Distribution Plant	970,982	173,424	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)	2,785		34
Office Furniture and Equipment (372)	389		35
Computer Equipment (372.1)	1,997		36
Transportation Equipment (373)	4,619		37
Other General Equipment (379)	5,227	227	38
Other Tangible Property (390)			39
Total General Plant	15,017	227	
Total utility plant in service directly assignable	1,047,926	173,651	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	1,047,926	173,651	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			103,278 26
Transmission and Distribution Mains (343)			719,750 27
Fire Mains (344)			0 28
Services (345)			141,298 29
Meters (346)			32,376 30
Hydrants (348)	800		140,719 31
Other Transmission and Distribution Plant (349)			135 32
Total Transmission and Distribution Plant	800	0	1,143,606
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			2,785 34
Office Furniture and Equipment (372)			389 35
Computer Equipment (372.1)			1,997 36
Transportation Equipment (373)			4,619 37
Other General Equipment (379)			5,454 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	15,244
Total utility plant in service directly assignable	800	0	1,220,777
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	800	0	1,220,777

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			4,106	4,106	1
February			3,554	3,554	2
March			3,654	3,654	3
April			3,033	3,033	4
May			3,422	3,422	5
June			3,400	3,400	6
July			3,629	3,629	7
August			3,443	3,443	8
September			3,169	3,169	9
October			3,098	3,098	10
November			2,948	2,948	11
December			3,007	3,007	12
Total for year	0	0	40,463	40,463	
Less: Measured or estimated water used in main flushing and water treatment during year				5,724	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				34,739	16
Less: Water sold				32,601	17
Losses and unaccounted for				2,138	18
Percent unaccounted for to the nearest whole percent (%)				6%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				220,000	21
Date of maximum: 6/13/1997					22
Cause of maximum:					23
Flushing Hydrants					
Minimum gallons pumped by all methods in any one day during reporting year				80,000	24
Date of minimum: 9/6/1997					25
Total KWH used for pumping for the year				71,151	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
JEFFERSON STREET	1	183	12	100,000	Yes	1

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	INDEPENDENCE			1
Location	JEFFERSON STREET			2
Purpose	P			3
Destination	R			4
Pump Manufacturer	LAYNE NORTHWEST			5
Year Installed	1996			6
Type	VERTICAL TURBINE			7
Actual Capacity (gpm)	330			8
Pump Motor or Standby Engine Mfr	LAYNE NORTHWEST			9 10
Year Installed	1996			11
Type	ELECTRIC			12
Horsepower	30			13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22 23
Year Installed				24
Type				25
Horsepower				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	#2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		4
			5
Year constructed	1974		6
			7
Primary material (earthen, steel, concrete, other)	CONCRETE		8
			9
Elevation difference in feet (See Headnote 3.)	160		10
			11
Total capacity in gallons	400,000		12
WATER TREATMENT PLANT			13
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		14
			15
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		16
			17
Filters, type (gravity, pressure, other, none)	PRESSURE		18
			19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.4320		20
			21
Is a corrosion control chemical used (yes, no)?	Y		22
			23
Is water fluoridated (yes, no)?	N		24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	4.000	1,570				1,570
M	D	6.000	26,053				26,053
M	D	8.000	6,389	1,122			7,511
M	D	10.000	5,682	2,894			8,576
M	D	12.000	3,444				3,444
Total Within Municipality			43,138	4,016	0	0	47,154
Total Utility			43,138	4,016	0	0	47,154

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	238				238	12	1
M	1.000	220	35			255	54	2
M	1.500	11	2			13	4	3
M	2.000	13	1			14	1	4
M	3.000	1				1		5
M	4.000		1			1	1	6
M	6.000	2	2			4		7
M	8.000	1				1		8
Total Utility		486	41	0	0	527	72	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	496	12			508	37	1
0.750	4				4		2
1.000	5				5		3
1.250	1				1		4
1.500	9				9		5
2.000	2				2		6
3.000	1	1			2		7
Total:	518	13	0	0	531	37	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	432	58	2	4		12	508	1
0.750		3				1	4	2
1.000	1	2		1		1	5	3
1.250		1					1	4
1.500		7		2			9	5
2.000		1		1			2	6
3.000				2			2	7
Total:	433	72	2	10	0	14	531	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality					0	1
Within Municipality	81	11	1	4	95	2
Total Fire Hydrants	81	11	1	4	95	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	97
Number of distribution system valves end of year:	181
Number of distribution valves operated during year:	50

WATER OPERATING SECTION FOOTNOTES

Reservoirs, Standpipes & Water Treatment (Page W-14)

1. Line 21 the water was fluoridated during 1997, however at the end of 1997 the utility quit, therefore the answer is no.
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Water Mains (Page W-15)

1. The 10" main is being financed through contributions in aid of construction and financial resources of the utility. The major portion of the 8" main is being financed through capital paid in by the municipality.
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Water Services (Page W-16)

1. For the 1" services, 19 are being financed through capital paid in by the municipality and 16 will be assessed against the property owners in 1998. The larger services will be assessed against the property owner in 1998 also. The 6" services were financed through contributions in aid of construction and financial resources of the utility.
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Hydrants and Distribution System Valves (Page W-18)

1. The adjustment of 4 was determined after an actual count by the utility superintendent. 2. The utility superintendent will be informed that half of the valves should be operated each year.
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